



Team Development:

Fixing the Disconnect Between Importance and Effectiveness

Research Summary



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Executive Summary

Most organizations say they have a team mindset and operate in a team-driven environment, according to Brandon Hall Group's 2020 Team Development research.

However, there is a significant disconnect between the prevalence of teams and employers' willingness or ability to invest in a dedicated curriculum and other opportunities to optimize team performance.

79%
of organizations

admitted they are not investing enough time and budget for team development

"Competing priorities" are cited as the biggest barrier to team development. In our research, organizations were at

least 75% more likely to say competing priorities are a barrier to effective team development more than anything else. This illustrates a lack of vision regarding the impact of teams and team development. Skills and competencies for working effectively in teams — including emotional intelligence, active listening, collaboration and compromise — are also valuable in other employee work and interactions.

Teams are the future of work. Organizations failing to invest in specific development for team members and leaders risk their ability to innovate and grow. On the flip side, our research shows that dedicated team development initiatives have a favorable impact on competitive advantage, revenue growth, employee engagement and employee retention.

To improve team development, organizations must answer several critical questions, including:

- *Is your investment in team development proportional to the importance of teams in driving business?*
- *What are the competing priorities that impede investment in team development? Do they have an equal or greater potential business impact than teams?*
- *Does your organization have a strong understanding of the types of leaders and leadership required to leverage the power of teams?*
- *What are the best ways to measure the success of team development?*
- *Are individuals' contributions to teams reflected in performance evaluations?*
- *Are organizational leaders sufficiently involved in your efforts to optimize teams to drive business results?*



This report offers five high-level strategies Brandon Hall Group believes are essential to improving team development:

- Foster a team mindset
- Create leadership development programs specific to managing teams
- Develop effective team governance
- Increase time and financial investments in team development
- Measure team development effectiveness by business outcomes

Current State

Most organizations say they have a team mindset and are heavily dependent on teams to accomplish work now and more so in the future, according to 2020 Brandon Hall Group research.

More than Half of Work Accomplished Through Teams

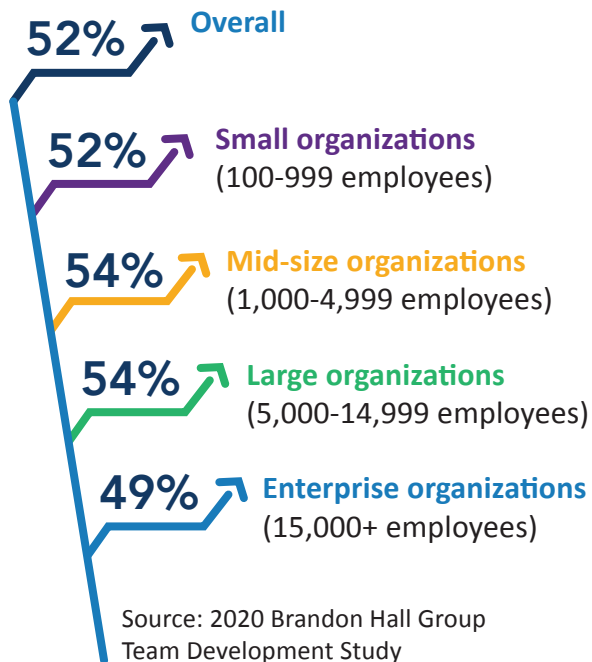


Source: 2020 Brandon Hall Group
Team Development Study

A team environment is prevalent in almost all organizations. At least 80% use management, work and project teams. Virtual teams are also used by about 60% of organizations and that balloons to almost three-quarters among organizations with 5,000 or more employees.

However, there is a significant disconnect as well between the importance of teams and employers' willingness or ability to invest in a dedicated curriculum and other tools to optimize team performance. There is a difference of approximately 50% between organizations that accomplish most work through teams and those with dedicated team-development initiatives.

Organizations Expecting Moderate to Major Increase in Work Accomplished through Teams



This exists despite a clear correlation between business success and team development; organizations reporting improved year-over-year key performance indicators are 65% more likely to have a dedicated team-development curriculum than other organizations.

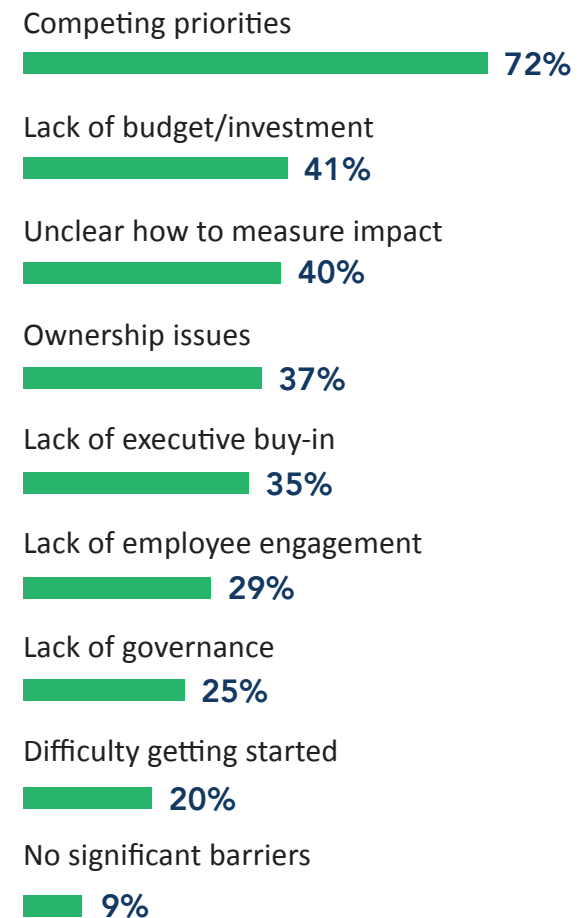
Complexities

Despite the pervasiveness of teams, “competing priorities” are cited as the biggest barrier to team development. In our research, organizations were at least 75% more likely to say competing priorities are a barrier to effective team development more than anything else.

This illustrates a lack of vision regarding the impact of teams and team development. Skills and competencies for working effectively in teams — including emotional intelligence, active listening, collaboration and compromise — are also valuable in other work and interactions employees have.

And since the majority of work is accomplished through teams and is expected to increase, how many greater priorities can there be? Overall, about 70% of organizations spend less than \$100,000 per year on team development. Even in large organizations with 5,000-plus employees, 57% of organizations spend less than \$100,000.

Barriers to Effective Team-Development Programs



Source: 2020 Brandon Hall Group Team Development Study

This signifies a real disconnect around the use and importance of teams and the commitment to improving team performance. In fact, 79% of organizations conceded they are not investing enough time and budget for team development.

The reason may have something to do with who is responsible for team-development strategy. Business functions lead team-development strategy in only about 25% of organizations, even though teams are the dominant force in getting work done.

Consequences

Organizations with effective team development are:

2.7x more likely

to see increased employee retention

83% more likely

to say team dynamics increase competitive advantage

2.2x more likely

to see increased employee engagement

64% more likely

to say team dynamics drive sales and revenue growth

Source: 2020 Brandon Hall Group Team Development Study

The business problem organizations must solve is that the future of work revolves around teams, collaboration and innovation, even though two-thirds of employers say other priorities are more important.

people and putting them in a working group. Skills should be complementary. Team members must be able to share ideas and opinions, and disagree without being disagreeable. Team leaders must

Organizations failing to invest in specific development for team members and leaders risk their ability to innovate and grow. Teams are the future of work.

But working in teams involves more than merely selecting talented

lead without top-down management that chokes innovation and collaboration. Teams must have leeway to be creative and iterative. Building those competencies among team members and leaders does not often happen without development.

Positive consequences occur when organizations invest in team development, our research shows. Dedicated team development initiatives have a favorable impact on competitive advantage, revenue growth, employee engagement, employee retention and the effectiveness of team governance and team results.

Teams also function far better when they operate with a framework and governance. Organizations with effective governance are eight times more likely to have effective team development that includes specific programs for each employee level — from executives to individual contributors — as well as entire departments and business units.

Teams cannot be effective without a strategic understanding of their dynamics and a commitment to developing collaborative behaviors in leaders and members who drive business results.



Critical Questions

To improve team development, organizations must answer several critical questions, including:

- Does your organization have a team mindset?
- How reliant is your organization on teams now and will that change over the next few years?
- Does your organization have a strong understanding of the types of leaders and leadership required to leverage the power of teams?
- Does your organization understand the differences between team types (i.e., management teams, work teams, parallel teams, project teams, virtual teams) and the respective competencies members need to be effective?
- Is your investment in team development proportional to the importance of teams in driving business?
- What are the competing priorities that impede investment in team development? Do they have equal or greater potential business impact than teams?
- What are the best ways to measure the success of team development?
- Are individuals' contributions to teams reflected in performance evaluations?
- Are organizational leaders sufficiently involved in your efforts to optimize teams to drive business results?

89% **WORK TEAMS**
Responsible for producing goods or providing services. Membership is typically stable, usually full-time and well-defined.

88% **MANAGEMENT TEAMS**
Coordinate and provide direction to their sub-units; responsive for performance of business unit.

80% **PROJECT TEAMS**
Typically time-limited and produce a one-time output (e.g., new product/service, information system, etc.).

58% **VIRTUAL TEAMS**
Individuals who work together in pursuit of common goals across time, space and organizational boundaries. They are linked electronically by webs of communication technology.

35% **PARALLEL TEAMS**
People from different work units or jobs to perform functions that the organization is not equipped to perform well. They exist in parallel with the formal organizational structure.

Source: 2020 Brandon Hall Group Team Development Study

Brandon Hall Group POV

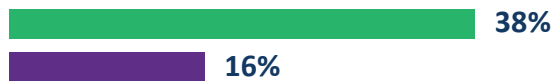
Here are five high-level strategies Brandon Hall Group believes are essential to improving team development:

FOSTER A TEAM MINDSET

Impact of Team Mindset

- Organizations with team mindset
- Organizations without team mindset

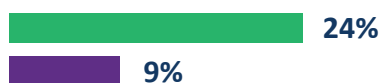
We have a governance model that works well



Effective team-development program



We are investing right amount of time/budget for team development



Source: 2020 Brandon Hall Group Team Development Study

High-performance teams and strong ongoing team development are the outgrowths of a team mindset:

“We can do it better together and we will do it better together.”



This is easy to say but difficult to do. It starts with the belief by executive leaders that teams are critical to business success. It requires an understanding of the skills and competencies team leaders and members need to make teams successful. This includes “connecting skills” — skills people use when working together. Connecting skills are dependent on the mission, goals and objectives of the team. A person’s connecting skills on a technical team might not translate well to a strategic team, for example.

“Complementary skills” also are important. These are skills that are often used in tandem by different people. Again, this is dependent on the team’s mission. For the team to be successful, you need team leaders and members whose connecting and complementary skills mesh well.

Understanding these concepts is not native to most people and not always intuitive, which is why team development is important.

But it begins with a commitment to fostering a team mindset. Our research shows that 80% of organizations say they have a team mindset. But given the lack of team development and governance among those organizations, there may be a lack of understanding — or misunderstanding — about what team mindset is.

CREATE LEADERSHIP-DEVELOPMENT PROGRAMS SPECIFIC TO MANAGING TEAMS

Many leadership competencies are universal. How they are applied differs by situation and circumstance. Team leadership requires a different mindset and firm understanding of team dynamics. Internal politics also have an impact that is unique to each organization and type of team.

Therefore, assuming a senior leader, department head or frontline leader can seamlessly move into a leadership role in a cross-functional, cross-regional or global team without training is a mistake.

In interviews, organizations with high-performing teams stress the need not only for dedicated team-leader training but also for ongoing performance support and skills practice.

This includes:

- Checklists and reminders for managing the teams
- How to phrase questions to the team
- How to foster engagement
- How to motivate/encourage team members to work together when many of them may have been selected based on individual achievements or expertise

Because of the diverse and complementary skills needed for high-performance teams, leaders must also develop expertise in team-member selection, which can differ considerably from the individual hiring decisions they are accustomed to making.

Top Priorities for Team Development, Next 1-2 years





Source: 2020 Brandon Hall Group Team Development Study



DEVELOP EFFECTIVE TEAM GOVERNANCE

Each team is unique, with its own reason for being and its own goals and vision for success. In addition, members of one team may also be a member of several other teams, which in turn have their own way of working.

Therefore, it is important for successful teams to have a firm understanding of how the team and its individual members need to function. Team charters are a good way to introduce governance and ensure everyone understands the responsibilities of the team as a whole and as individual members.

Team charters can be formal; some organizations ask members to sign a charter as a contractual commitment to the group's goals and objectives. Whether you do it formally or have more informal agreements, spelling out the following items can prevent conflicts and misunderstandings as the team pursues its mission:

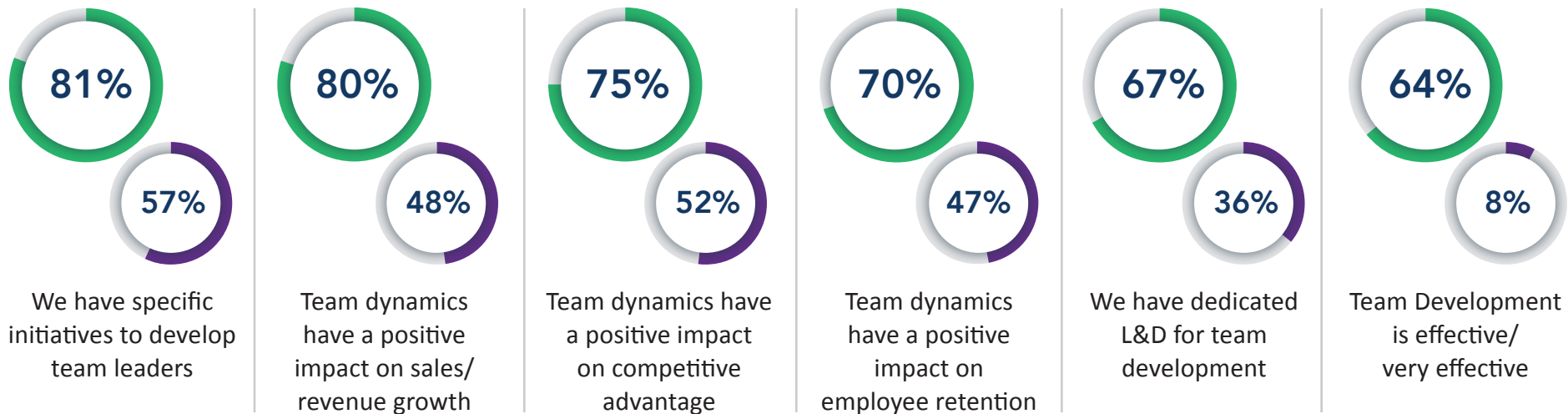
-  **Team structure, operations and responsibilities:**
When forming the team, assess members' skills to ensure they align and can accomplish your vision, mission, goals and objectives. List primary stakeholders and team members, including the executive sponsor, team leader and key members. Provide an overview of their responsibilities as they relate to the team's purpose: who does what, why, when and how.
-  **Goals and objectives:**
Define high-level goals and objectives you aim to achieve. These should align with how you accomplish your vision and execute on your mission. A helpful guide when identifying and defining goals is SMART goals: Specific, Measurable, Attainable, Realistic, Time-bound.

-  **Milestones and resources:**
Identify time frames for what is to be accomplished and the resources available to attain those goals. It is also helpful to consider challenges or barriers that may impact tasks and goals.
-  **Performance evaluation:**
Team members must understand their performance as part of a team is just as important as their performance as individuals. Leading organizations evaluate individuals for their team contributions and that performance is reflected in their individual performance evaluations.

Impact of Team Governance

● Effective team governance

● Ineffective or no team governance



Source: 2020 Brandon Hall Group Team Development Study

Organizations with effective team governance are eight times more likely to say their team development is effective compared to organizations with ineffective or no team governance. Governance also impacts the impact of team dynamics on key business indicators.

INCREASE COMMITMENT TO TEAM DEVELOPMENT

About eight in 10 organizations admit they do not invest enough on team development. Even in organizations with more than 5,000 employees, 57% spend less than \$100,000 on team development.

The decision to invest more would appear to be a no-brainer:

- 1/** Overall, about two-thirds of organizations accomplish more than half of their work through teams.
- 2/** About half expect the amount of work accomplished through teams to increase by a moderate to major amount in the next one to two years.
- 3/** Only three in 10 organizations say team development is effective.

Annual Spending on Team Development

● Under \$10,000
 ● \$10,000 - \$50,000
 ● \$50,000 - \$100,000
 ● \$100,000+

Small organizations (100-999 employees)



Mid-size organizations (1,000-4,999 employees)



Large organizations (5,000 employees+)



Source: 2020 Brandon Hall Group Team Development Study

A critical point revealed here is that team development has an impact far beyond teams. Team effectiveness relates to core competencies such as inclusion, emotional intelligence, critical thinking and communication. The impact of this type of training extends to many different aspects of an employee's development. It is money well-spent.

Also, developing teams does not mean taking people away from work for days or weeks of classroom training. A small

amount of classroom work, live or virtual, can cover basic concepts. But the key to team development is learning by doing. Creating team projects and action learning serves the dual purpose of getting important work done while enabling practical application of team-building skills.

You should also be intentional on your team-development targets. There are many types of teams and each employee level tends to play a different role in

teams. We recommend differentiating training, to at least some degree, by role: executive leaders, directors/managers, frontline leaders and individual contributors.



MEASURE TEAM-DEVELOPMENT EFFECTIVENESS BY BUSINESS OUTCOMES

It's important to set specific goals for teams and develop metrics that demonstrate the success or ROI of the team's initiatives. These metrics can inform if and when you change course or direction challenges arise — or what to replicate when the team is successful.

Most-Used Metrics to Measure Team Development

- 46% Manager observations
- 37% Participant feedback
- 34% Engagement scores
- 30% Progress on individual performance goals among team members
- 26% Improvement or business goals related to the team's function
- 26% No measurement

Source: 2020 Brandon Hall Group Team Development Study

Similarly, organizations must focus on measuring the success of team development. Our research shows that manager observations and team-member feedback are the metrics most often used to evaluate team-development effectiveness.

However, most teams — especially cross-function, project-focused teams — are established to reach specific business goals. so it makes sense to evaluate team development on the improvement of business results. Unfortunately, only 26% of organizations do that, which is the same percentage of organizations that do no measurement at all.

Measurement is seldom easy, which is why most organizations struggle. In the case of team development, however, it is pretty straightforward. Compare business results of teams that have not gone through training to teams that are trained. See what the difference is. On an ongoing basis as more people are trained, evaluate business results against trained teams against prior results before you began training.





Conclusion

Teams are the future of work. The critical competencies for team members also align with important individual competencies such as collaboration, active listening, self-awareness, self-management, learning agility and critical thinking. So, team development should not be seen as a “competing priority” — as two-thirds of organizations indicated it does.

Most organizations — almost eight out of 10 — concede they do not invest enough time and budget for team development. Admitting you have a problem is the first step. Now is the time to ramp up team development. It will have a positive impact on the entire organization.

Opinion on Level of Team-Development Investment



Source: 2020 Brandon Hall Group
Team Development Study

Research Demographics — Team Development Study

266 Respondents
(from organizations with more than 100 employees)



23%
Small (100-999 employees)



23%
Medium (1,000-4,999 employees)



56%
Large (5,000+ employees)



**Corporate
Headquarters
of Respondents:**

75% North America
16% EMEA
8% APAC
1% South/Central America, Caribbean



**Geographic
Distribution:**

34% Organizations located in one country with multiple locations
33% Organizations with multiple locations across the globe
18% Organizations located in one country with some global distribution
15% Organizations located in one country in one location

Responses are from **35 industries**.

Top 5 Industries: **Banking/Finance, Education, Technology/Software, Healthcare and Manufacturing.**

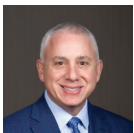
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About Brandon Hall Group

Brandon Hall Group is an HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management.

With more than 10,000 clients globally and 25 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

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DEVELOP



PERFORM



RETAIN



OPTIMIZE

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